

Testimony of Shari Cantor, Mayor of West Hartford

Before the

Appropriations Budget Hearing

HB 7027- Concerning The State Budget For the Biennium Ending June 30, 2019, And Making Appropriations Therefore

To honorable members of the Appropriations Committee. My name is Shari Cantor. I am proud to serve as Mayor of West Hartford. West Hartford is a diverse community that is connected to Hartford, CT, in fact we share a treasured historic park, large arterial road from the north end of town to the south end of town and much more. We rely on Hartford and Hartford relies on us.

As a member of the West Hartford Town Council for 12 years, Deputy Mayor for 5 years and now as Mayor, I feel responsible for the successes that we have experienced. This has not been without significant challenges, commitment from our residents who invest time and treasure in our community and a tremendous amount of hard work from VOLUNTEER elected officials and responsible town management. Yes, we have a lot to be proud of but it is because we have worked hard to make responsible decisions over the years that strengthen our community all the while our community continues to add more diversity- ethnically, racially and economically. Schools, Safety, Services and Stability these are the pillars of any successful community that allow it to grow and thrive.

Schools- This proposed budget is quite frankly, devastating for our town and its nearly 10,000 students. West Hartford prides itself on the success of its school system, but as a district we cannot sustain the quality of programming our students deserve, that all students deserve, given the financial obstacles of continued and growing shortfalls from the Educational Cost Sharing grant – the ECS - other grant reductions or eliminations. The West Hartford that people think they know- based on the restaurants and shops in the town center and the bustling Blue Back Square - does not tell our whole story. We have significant percentages of students with varying needs. We stand ready to support all students across a spectrum of need

but the inequitable distribution of ECS funding threatens to undermine our efforts.

The town will see an \$8.5 million loss in funds from the Educational Cost Sharing grant – the ECS- and a loss of \$4.1 million in “excess cost” funding; an offset of \$6 million for special education grant and an added expense of a 10% contribution of teacher salaries to the teachers’ pension plan that equates to a new cost of \$8 million for an ultimate impact on our education budget of \$14.5 million, or 9.5% of the Board of Education’s last adopted budget.

The real story is that we have had an increasing shortfall in ECS year after year. Flat funding of the ECS grant with a changing school population has stressed our schools and our taxpayers. We all know that nothing in the world is the same as it was nineteen years ago when this grant started. In our school district’s nineteen year history with this grant, we have seen the gap in our ECS grant grow from 23% to as much as a 72% gap. For West Hartford, this translates into a shortfall of over \$300 million over the full 19 year history and a \$31.9 million shortfall in 2014-15 alone. West Hartford has an excellent reputation as a high-performing school district; a reputation built on the quality of our curricular programming and the value the community places on education. In 2000, West Hartford ranked in the top one third of the 169 school districts in per pupil expenditure, but over time and due in part to ECS shortfalls, WH now ranks in the bottom third at 126.

We are one of the few municipalities in the state that have combined all possible positions for the schools and town.

We are proud of our history as a high performing district but our demographics demonstrate that we differ from many of the high performing districts with whom we are often compared. We need equitable education funding. We know that our public schools have the right formula to support and grow students and enable them to excel. Proper, fair support for our local programming is all that is necessary. Invest in us, and we will not let you down.

Were we to measure the ECS shortfall as a per pupil expense, West Hartford would have the largest gap of any school district in CT. The 2014-15 gap of \$31.9 million converts to a gap of \$3015 per student. The next

highest gap is \$2700 per student and averages to about \$1100 per student statewide. On strict dollar values, our 2014-15 shortfall in ECS funding was the 3rd largest among all towns receiving ECS funding. Only Waterbury and Bridgeport had larger dollar value shortfalls, but they received 71% and 83% of their full funded ECS calculations compared with West Hartford at 36%. Meanwhile, there are 47 towns who receive more than 100% of their ECS allocation.

West Hartford services nearly 10,000 students, 1964 of whom speak a language other than English at home. In fact, this 20% of our student body speaks more than 70 different languages. Our racial diversity has grown to 39%, and 21% of our students qualify for free or reduced lunch.

Additionally and not insignificantly, we support more than 1100 students (or 11% of our student population) within our special education services and programs. We know that West Hartford is a destination district for parents who want to receive topnotch special education services for their children, and we are committed to rewarding their trust. While the general student population has decreased by 4.6%, our special education students have increased by 9% and the number of our impacted students has increased by 48%.

Our neighboring community, the capitol city of Hartford, provides a lot of services for people from all over the state of Connecticut as well as for Greater Hartford. West Hartford also provides a critical need and topnotch education for a growing number of students on the autism spectrum. Resources to provide these services are extensive and costly. West Hartford has been able to meet the indispensable needs of many families in the capitol region efficiently and effectively but the proposed change in ECS will impact the quality and breadth of services West Hartford can offer to these students and their families. And to be clear, let me repeat that the ECS shortfall will impact the quality of education for all of West Hartford's nearly 10,000 students.

Safety- as an inner ring suburb we have a different dynamic than all of our neighboring communities and many other communities around the state. Frankly, it costs our town more than most other towns to maintain the necessary degree of safety. Our tax payers investment in our police officers and fire fighters have not only preserved the quality of life for West Hartford

residents but have contributed to the region as a resource due to West Hartford's commitment and investment.

Services- From front yard services to social services, we provide an incredible product at a very streamlined cost. We are always looking at ways to provide services at a more efficient cost and doing more with less has been our theme for well over a decade.

Our library and our human and leisure services departments account for a small 2.5% of our budget – providing critical services to our neediest residents, seniors, young parents, and non-English speaking residents, as well as enriching the lives and health of our whole community, an investment where the benefits far outweigh this very small slice of the budget.

Stability- We have remained a AAA-Bond-rated community for 40 years by both Moody's and Standard and Poor during some very difficult and challenging financial periods. We cannot risk losing the decades of hard work that have made West Hartford one of the best managed communities and one of the most desirable places to live in the state and country.

We have done the right things for the right reasons. We understand and appreciate we are part of a greater region and that our state faces significant challenges. We also know that we are nationally recognized as a great place to live and we are an increasingly diverse community- that is a great combination. We know that our community has contributed positively to the quality of life for residents and businesses in the greater Hartford region. If West Hartford is weakened substantially by the combination of budget proposals, the region will suffer.

We have implemented multi-year forecasting, established adequate reserves, and practiced responsible and forward thinking town management and fiscal prudence. We have been recognized by the rating agencies for implementing significant plan changes in pension and healthcare benefits that will substantially decrease liabilities in future years. We continue to see reinvestment by homeowners and businesses that is critical to grand list growth. We are nearly a fully developed community.

For these past 12 years we have done the responsible and often difficult things. We have combined all education and town jobs possible. We have

reduced the workforce. We have put money away in a rainy day fund not only to retain our AAA bond rating but also because it is fiscally responsible. And we needed this fund when we had storms that knocked us out, literally! We used these reserves when Storm Alfred hit and much of our town was out of power for almost 2 weeks. Our town employees have shared our vision of discipline for a stronger West Hartford and we have worked with our unions to make sustainable changes to benefits; our dedicated town employees agreed to no overtime in the pension calculation, to defined contribution plans, to increased contributions, lengthened years of service and enrollment in Health Savings Accounts to control medical costs. We also reduced discount rate assumptions, and updated mortality rates for increased life expectancies to strengthen our pension plan long term.

The Governor's budget proposes a significant commitment to our urban centers. I agree that the viability and future of our state are linked to our urban centers but the success of West Hartford, the vibrancy and connectivity have strengthened Hartford during some very difficult times. The safety, security and good quality of life that have been preserved during some very challenging times have benefited the Capitol Region. Our success and our residents' ability and willingness to pay is now at a breaking point. Our mill rate is 39.6. Our mill rate with the budget as proposed by the Governor and the roll forward budget that the town needs to meet our contractual obligations, pension and OPEB contributions, debt service and MDC Ad Valorem tax would be 42.85. That is with a 4.6% growth in our grand list due to revaluation. BUT our revaluation has shifted the value of larger homes to the average sized homes and to apartments, raising the cost of living for those who can least afford it. This is a significant burden for many of our residents and my heart is breaking that so much of the hard work that we have done to balance fiscal responsibility while serving our diverse and vibrant population is in mortal danger despite our planning, commitment, and sacrifice and discipline. We have few options left but to drastically cut services and to increase taxes. Yes, increase property taxes- putting the real burden on all of our residents.

With housing values shifting due to revaluation, affordability is even more of a challenge. We have an older housing stock, we have little land to be developed and the financial pressures are real. The impact to our budget

also will have a profound impact on Hartford. West Hartford residents, especially empty nesters, seniors, and millennials seek out entertainment. They have time and this is a priority for their stage in life. They especially seek this variety of entertainment in the capital city. They attend games and concerts, eat out in the restaurants, go to Breweries downtown and attend music venues and movies. They also are committed to supporting the institutions that provide the culture and entertainment that they enjoy as well as the nonprofit and community organizations in the city. If they are forced to move out of West Hartford due to a budget scenario that either adds significantly to property taxes or decreases services and therefore the quality of life, they will move to communities that are farther out from the city and that are not as connected to Hartford. This will have a dramatic and direct effect on Hartford.

There is a way to provide financial stability and security to urban centers and the state without weakening those successful communities that have done the right things, the hard things.

Here are a few of our suggestions-

1. Do not reduce automobile taxes and shift them to property taxes. This hurts seniors with older cars and on fixed income. Many seniors are struggling to stay in their homes with increasing property taxes on fixed incomes and this makes it worse. Use the reimbursement grants to help fully fund the excess cost grant to ensure stability for all municipalities or to fund ECS.
2. Reward communities that have reduced per pupil education costs by combining town and school positions. Provide an incentive for other communities to do the same by giving an additional 5% of ECS grant to those districts that are improving efficiencies-not by penalizing them for being effective and efficient.
3. Reform state regulations regarding the burden of proof for special education students.
4. Postpone the implementation of the DEEP MS4 regulations: a cost of \$500,000 to West Hartford

5. Support West Hartford's efforts to revise the Metropolitan District Commission charter to allow a user fee for sewer service which are presently funded through an ad valorem tax. This will reduce the mill rate for all member towns and prevent any shift in burden to other member towns in case of a default.
6. Use similar pension amortization methodology as SEBAC (the state employee bargaining agent coalition) or eliminate, delay or at a minimum phase in the teacher's retirement fund assessment
7. Provide alternative revenue options for municipalities, like free up fees and fines from dog licenses to zoning violations, or from sales or franchise tax.
8. Eliminate some sales tax exclusions and lower the overall rate to equal amounts, reduce overall sales tax to 5.5% and use 1% sales tax to fund either: Teacher pensions, ECS for communities that were dramatically cut, or pilot grants that would especially benefit Hartford and other urban centers. Allow municipalities to add a quarter or half a percent of sales tax as an alternative revenue source.
9. Tax on sugared beverages- 1 cent per ounce generates \$140million. This would fully fund the excess cost grant or special education or an increase in the wealth component of the Foundation for the ECS calculation to mitigate the shortfall in certain communities that were impacted most dramatically.
10. For the future of the State both in regards to infrastructure investment and safety install tolls. I know this will not impact this budget.

Our community has done the hard work, we have remained fiscally responsible, during challenging times, positively and profoundly contributed to our region, worked with our employees and residents to have a shared commitment and investment in our future. Please do not undo much of the

good we have done and please remember how incredibly difficult it will be to recapture this work.